

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 32 – SB 1158**

February 18, 2017

**SUMMARY OF BILL:** Creates the Natural Disaster Relief Program, to be administered by the Tennessee Emergency Management Agency (TEMA), under which a county may request a grant to help offset the costs incurred by the county in responding to a natural disaster. Requires grants under the bill to be contingent upon the availability of funds specifically allocated for the program in the general appropriations act.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$120,000/One-Time**  
**Exceeds \$507,200/Recurring**

Assumptions:

- The bill defines "natural disaster" to mean any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, ice storm, drought, fire, explosion, civil disturbance, or other catastrophe that causes or may cause substantial damage or injury to property.
- Currently, TEMA administers federal grants upon declaration from the President of the United States.
- The provisions of the bill allows individual counties to request TEMA grant assistance if a natural disaster has occurred within the county; the county executive has declared a state of emergency; and the damages resulting from the natural disaster do not exceed the threshold for federal disaster relief.
- The amount of natural disasters that will occur within a given year and the number of counties impacted cannot be reasonably determined. Given the lower TEMA action request threshold in the provisions of the bill, it is reasonably estimated TEMA will receive an increase in the number of requests.
- Based on information provided by TEMA, the agency will require a minimum of one additional administrative position at \$47,733 annually (\$35,000 salary + \$12,733 benefits) and three district coordinator positions, that will be required to investigate grant requests, at \$169,434 annually [(\$42,500 salary + \$13,978 benefits) x 3] to administer the newly created program. The recurring increase in state expenditures for new positions is estimated to exceed \$217,167 (\$47,733 + \$169,434).
- Additional expenditures for supplies, IT expenses, and travel expenses for the new program are reasonably estimated to exceed \$40,000 annually.

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- Three additional vehicles at an estimated one-time cost of \$40,000 each will be required for use by district coordinators investigating requests.
- A one-time increase in state expenditures of \$120,000 (\$40,000 x 3 vehicles).
- Grants in the program are contingent upon the availability of funds that have been specifically allocated by the Tennessee General Assembly for the program in the general appropriations act.
- Grants disbursed pursuant to the bill shall not exceed \$250,000 per grant issued. The extent to which the grants will be funded is not known, but is reasonably estimated to exceed one fully funded grant, or \$250,000 per year.
- The total recurring increase in state expenditures is estimated to exceed \$507,167 (\$217,167 salaries and benefits + \$40,000 supplies + \$250,000 grant funding).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/dwl